

## Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SP-02 USIA-06 AID-05  
EB-07 NSC-05 EPG-02 TRSE-00 SS-15 STR-04 OMB-01  
CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 DODE-00 PM-04 H-01  
L-03 PA-01 PRS-01 /111 W  
-----053188 050826Z /21

R 050547Z JUL 77  
FM USINT BAGHDAD  
TO SECSTATE WASHDC 4748  
AMEMBASSY ABU DHABI  
AMCONSUL ALEXANDRIA  
AMEMBASSY ALGIERS  
AMEMBASSY AMMAN  
AMEMBASSY ATHENS  
AMEMBASSY BEIRUT  
AMEMBASSY CAIRO  
AMCONSUL DHAHRAN  
AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY KHARTOUM  
AMEMBASSY KUWAIT  
AMEMBASSY MANAMA  
AMEMBASSY MOGADISCIO  
AMEMBASSY MUSCAT  
AMEMBASSY NOUAKCHOTT  
AMEMBASSY RABAT  
AMEMBASSY SANA  
AMEMBASSY TEL AVIV  
AMEMBASSY TRIPOLI  
AMEMBASSY TUNIS

C O N F I D E N T I A L BAGHDAD 1106

E.O. 11652: GDS  
TAGS: ETRD, PFOR, IZ, US  
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SUBJECT: DEMARCHE TO GOI ON NEW U.S. ANTI-BOYCOTT LAW

REF: (A) STATE 142390 (B) DAMASCUS 4022

1. ACTING PRINCIPAL OFFICER AND COMMERCIAL OFFICER  
CALLED ON D.G. OF GOI BOYCOTT LIAISON OFFICE, HASSAN  
ABDUL HAMEED, AT FONMIN TO PRESENT POINTS RAISED IN REF.

A.

2. IN A CORDIAL, NON-CONFRONTATIONAL ATMOSPHERE, DISCUSSION CONTINUED FOR AN HOUR AND A HALF. ABDUL HAMEED, WHO WAS JUST BACK FROM ALEXANDRIA, WAS WELL-INFORMED OF SEQUENCE OF EVENTS LEADING UP TO PASSAGE OF THE LEGISLATION AND EXPRESSED REGRET THAT IT WOULD DAMAGE U.S. ECONOMIC AND COMMERCIAL INTERESTS IN THE REGION. HE ADDED THAT EUROPEAN AND JAPANESE COMPETITORS ARE ANXIOUS TO PICK UP U.S. BUSINESS IN IRAQ AND OTHER COUNTRIES. ABDUL HAMEED CLAIMED THAT THERE WILL BE NO GOI POLICY AGAINST DEALING WITH AMERICAN FIRMS, BUT HE EXPRESSED BELIEF THAT MOST IRAQI OFFICIALS WOULD CHOOSE NON-AMERICAN GOODS IN ORDER TO AVOID BOYCOTT PROBLEMS.

3. ABDUL HAMEED ASKED A NUMBER OF POINTED QUESTIONS CONCERNING PROVISIONS OF THE LAW AND WAS SPECIFICALLY INTERESTED IN ITS IMPACT ON FOREIGN BRANCHES AND AFFILIATES OF U.S. FIRMS. HE ALSO ASKED ABOUT IMMEDIATE EFFECT OF THE LAW ON FIRMS' ABILITY TO SUPPLY NEGATIVE CERTIFICATES OF ORIGIN AND TO RESPOND TO BOYCOTT QUESTIONNAIRES. WE ADVISED HIM THAT NEGATIVE CERTIFICATES OF ORIGIN WOULD NOT BECOME ILLEGAL FOR A PERIOD OF ONE YEAR BUT THAT USG WOULD NOT SUGGEST THAT FIRMS COMPLY WITH THE BOYCOTT IN THE INTERIM. WE  
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ADVISED HIM THAT IT WOULD BE NECESSARY TO REFER TO THE IMPLEMENTING REGULATIONS FOR ANSWERS TO MANY OF THE ISSUES RAISED, AND WE PROMISED TO PROVIDE THE TEXTS OF THE LAW AND REGULATIONS AS SOON AS THEY ARE AVAILABLE.

4. WE INQUIRED ABOUT SPECIFIC ACTIONS TAKEN AT THE ALEXANDRIA CONFERENCE, ESPECIALLY REGARDING GENERAL ELECTRIC AND HONEYWELL. ABDUL HAMEED DECLINED TO DISCUSS DETAILS OF SPECIFIC DECISIONS, CLAIMING THAT HE COULD NOT DIVULGE THE NAME OF A FIRM REMOVED FROM THE BLACKLIST TO USG OFFICIALS WHOSE GOVERNMENT MIGHT TAKE ACTION AGAINST THE FIRM UNDER THE NEW LAW. HE ADDED THAT FIRMS ADDED TO THE BLACKLIST WOULD BE INFORMED OF GOI'S ACTION THROUGH THE BOYCOTT OFFICE IN THE MINISTRY OF TRADE. IN AN ASIDE, HE MENTIONED THAT THE CASE OF ONE UNNAMED COMPANY WAS BEING HANDLED BY THE KUWAIT BOYCOTT OFFICE. USINT BELIEVES THIS FIRM MAY BE HONEYWELL.

5. COMMENT: ABDUL HAMEED IS A PROFESSIONAL DIPLOMAT CAPABLE OF DISCUSSING ISSUE WITHOUT RANCOR. WE

BELIEVE FOLLOW-UP MEETINGS MAY BE USEFUL. THE GOI  
WILL NOT ABANDON ITS STRONG SUPPORT AND ADHERENCE TO  
THE ARAB BOYCOTT AND WILL PROBABLY CONTINUE TO  
REQUIRE NEGATIVE CERTIFICATES OF ORIGIN. VERY  
LIMITED EXCEPTIONS ARE LIKELY FOR URGENTLY NEEDED  
REPAIR PARTS AND PRODUCTS AVAILABLE ONLY FROM U.S.  
SOURCES. WE NOTE, HOWEVER, THAT A MAJOR U.S. CATTLE  
EXPORTER SIGNED A 700,000 DOLLAR CONTRACT WITH THE  
GOI STATE ANIMAL PRODUCTION COMPANY ON JUNE 30.  
THIS INDICATES THAT A TOTAL BAN ON DEALINGS WITH U.S.  
FIRMS HAS NOT YET BEEN IMPOSED. USINT IS GUARDEDLY  
OPTIMISTIC THAT U.S. FIRMS WILL STILL FIND OPPORTUNITIES  
IN IRAQ FOR MAJOR CONSTRUCTION PROJECTS IN INDUSTRY  
AND INFRASTRUCTURE AND, POSSIBLY, IN AGRICULTURAL  
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COMMODITIES.

6. USINT AGREES WITH DAMASCUS SUGGESTION (PARA. 3,  
REF. B) THAT PROPOSED STATE/COMMERCE DELEGATION BRIEF  
CONCERNED MISSION OFFICERS ON MECHANICS OF ANTI-  
BOYCOTT LAW AND REGULATIONS. WE DO NOT BELIEVE THAT  
CONTACTS BETWEEN DELEGATION AND IRAQI OFFICIALS  
WOULD BE ADVISABLE.

7. USINT HAS NOT YET RECEIVED TEXT OF LAW, EITHER AS  
CABLE OR THROUGH POUCH.  
MACK

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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**Disposition Reason:**  
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**Enclosure:** n/a  
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**Subject:** DEMARCHE TO GOI ON NEW U.S. ANTI-BOYCOTT LAW  
**TAGS:** ETRD, PFOR, IZ, US  
**To:** STATE ABU DHABI  
**Type:** TE  
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